

IV.B.1. Non-Homeless Special Needs

Housing Opportunities for Persons With AIDS (HOPWA)

See Tables 3 on pages 59-69 for FY 2006 activity and spending; and Appendix B for full discussion of HOPWA.

1. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA (91.215(a)(1)) and the basis for assigning the priority (including the relative priority, where required) given to each category of priority needs (91.215(a)(2).

A fair, equitable, and untainted process is the basis of investment allocation within our jurisdiction. This EMSA is comprised of the District of Columbia, Suburban Maryland, Northern Virginia, and West Virginia. The allocation is based on the number of HIV (MD, VA, and WVA) and AIDS cases (DC), trend analysis, and community and client input, as well as standardized projections of need. Each jurisdictional governmental agency is expected to determine and establish the appropriate level of support for the allocation of HOPWA investments.

In the District of Columbia, the geographical distribution of funding priorities is performed after a detailed analysis of epidemiological data has taken place, including a thorough review of AIDS incidence data. Once a specific area is identified as a “priority point”, in terms of need and lack of availability of community or governmental resources, every effort is made to allocate additional resources intended to address those identified needs. For example: although we have identified African-American women of child-bearing age with and without children as a group in continuous need of prioritization, after recent analysis, we have been able to establish Wards 7 and 8 (both east of the Anacostia River) as an investment priority.

Additionally, by use priority, HOPWA funds: 1) rental assistance through qualified HIV/AIDS service agencies intended these agencies determine the appropriate level of support and priority for allocating HOPWA investments geographically. In the District of Columbia, every effort is made to prioritize the Wards with the highest reported incidences of HIV/AIDS infection and direct funding to organizations serving those specific Wards. Relative priority needs in the District include women with and without children and youth.

Additionally, by use priority, HOPWA funds: 1) rental assistance through qualified HIV/AIDS service agencies; 2) supportive housing for low-income, HIV-infected and affected individuals and families in need of emergency or transitional housing; 3) housing information, resource identification, and outreach programs; and 4) other existing support service facilities that enhance the quality of life for persons infected and affected by HIV/AIDS.

2. Describe the method of selecting project sponsors

The actual process of awarding and distributing HOPWA funds in the District of Columbia is done through a legally sanctioned and overseen competitive grant application process. Once the determination is made of the amount of available funds, as well as priority areas and services, notice is published in legal registers, as well as community-based media outlets. A pre-application

conference takes place in order to clarify and facilitate the application process, as well as to encourage the participation of previously unfunded CBOs. Once the 30- to 60-day application process is completed, the resulting applications are collected and submitted to an impartial panel of experts that review, analyze, and rate them. Incomplete, as well as late applications are not forwarded to the review panel. A final award recommendation report is prepared, signed and forwarded to the District of Columbia Department of Health (DOH), HIV/AIDS Administration (HAA), including score sheets, applications, and any other materials used in the process. A DOH Director of Grants and Contracts Management proceeds to certify the results of the process and forwards that certification to HAA.

Grantees that score high, based upon the selection criteria, are awarded HOPWA program funds. The District of Columbia utilizes its HOPWA funds to support emergency housing, support housing, transitional housing, housing for recovering substance abusers, short-term utility, rent, and mortgage assistance, and tenant-based rental assistance. Additionally, HOPWA funds are distributed for supportive services such as job/empowerment training, multi-service day treatment services, housing information resource and referral, and building the capacity of housing providers.

IV.C. General Discussion

1. Identify any obstacles to meeting underserved needs (91.215(a)(3)).

As indicated in earlier sections of this document, the housing market itself has had and continues to have a negative impact on availability of affordable units for rent or purchase, even with public subsidies. Because of renewed interest in “city living”, competition for housing units, even in areas where this was not previously the case, has reduced the number and increased the price of any available units. The expiration of Section 8 housing subsidies has exacerbated the problem as owners sell their properties for market-rate housing. Given the limited geographic area of the District of Columbia and its urban, built-up character, there are few large tracts for any substantial housing expansion.

2. Describe Efforts to Address Obstacles to Meeting Underserved Needs and Fostering and Maintaining Affordable Housing

The District’s efforts to assist other non-homeless, special needs populations such as the elderly and persons with disabilities, are managed through DHCD’s Affordable Housing/Real Estate Development program activities and Homeownership and Home Rehabilitation Activities (specifically, the Handicapped Accessibility Improvement Program under the Single Family Residential Rehabilitation Program). Under these program areas, the Department provides financing for new construction and home rehabilitation in response to viable applications for assistance.

DHCD is working to improve its various programs to effectively address underserved needs. The ***Housing Production Trust Fund*** was one response under the Housing Act of 2002 that requires at least 40 percent of the funds benefit households at 30 percent of area median income, and at least 40 percent of the funds benefit households at 50 percent of area median income.

DHCD also has made a number of improvements to its HPAP to increase the reach of this vital tool for increasing lower-income households' opportunities to become homeowners. The median sale price of single-family homes in the District more than doubled in the past four years—from \$175,000 in 2000 to \$375,000, at the end of 2004. As a result, the stock of available affordable housing for HPAP borrowers has dramatically decreased during this time, with more than a seventy percent decrease in the number of units for sale at prices less than \$150,000. This has made it very difficult to increase the District's very low, citywide percentage of homeowner-occupied housing stock (41%).

In April 2004, the Department implemented amendments to the regulations that govern the HPAP program, as approved by the City Council. The amendments increased the levels of downpayment and closing cost assistance to low-income, first-time homebuyers (income up to 80% of area median income) from \$15,000 to \$20,000, and assistance to very low-income, first-time homebuyers (income up to 50% of the area median income) from \$20,000 to \$30,000. The amendments also eased repayment requirements on HPAP loans by deferring all payments for at least the first five years of homeownership, lowering interest rates, and extending periods of repayment (depending on the borrower's income).

Still, the pace of escalating prices of for-sale homes in the District served to make first-time home purchases increasingly difficult in FY 2004 for households of modest means, even with the more favorable terms of HPAP assistance. In response to this, the Department, in FY 2005, is increasing efforts to market the HPAP program to the lending and realtor communities, as well as to prospective first-time homebuyers. The Department has seen an increased success rate in the HPAP program during the first quarter of this fiscal year, with ninety-two HPAP loans closed as of January 31, 2005.

In addition, by the end of the second quarter of FY 2005, the Department will implement the new federal ***American Dream Downpayment Initiative (ADDI)***. DHCD intends to use these federal funds (a designated portion of its HOME Investment Partnership Program (HOME) allocation from HUD), to supplement assistance levels already available to very low- and low-income, first-time homebuyers through HPAP by as much as \$10,000 per homebuyer. The Department anticipates that this additional resource, coupled with renewed outreach to the residential real estate community, will serve to significantly increase the effectiveness of the HPAP program in FY 2005.

DHCD offers rehabilitation loans/grants to owner-occupants of single-family homes in order to prevent displacement due to market pricing pressures and to ensure that residents continue to live in decent and safe housing that meets the provisions of the District's housing codes. To meet special needs, up to \$10,000 of assistance is automatically deferred for senior citizens, and the first \$10,000 of assistance for handicapped accessibility improvements is provided as a grant.

To assist in preventing displacement when a tenant's apartment building is offered for sale, DHCD offers the First Right to Purchase and the Tenant Purchase Technical Assistance programs that provide technical assistance, counseling, and loans/grants to tenant organizations to enable them to exercise their right to purchase their building for homeownership. Additionally, in FY 2006, DHCD continues a Neighborhood-Based Activity program to provide pro-active counseling and assistance to tenants in buildings where Housing Choice Voucher Program (formerly Section 8) subsidies are due to expire within a year.

On the housing development side, the Development Finance Division's FY 2006 Request for Proposals (RFP) will solicit proposals that address these housing and community development needs:

1. Substantial Rehabilitation of Affordable Rental or For-Sale Housing
2. New Construction of Affordable Rental or For-Sale Housing
3. Community Facilities
4. Preservation of Expiring, Federally Subsidized, Affordable Rental Housing
5. Special Needs Housing
6. Elderly Housing

Priorities

During its funding process, DHCD gives priority to the following types of projects and target areas:

1. Projects in one of the thirteen (13) strategic neighborhood investment area, hot spots, and two National Revitalization Strategy Area (NRSAs).
2. Preservation of affordable housing for very low- and extremely low-income households in buildings with expiring federal subsidies.
3. Homeownership projects.
4. Affordable rental housing development for extremely low-income households.
5. Commercial and community facilities that serve low-income communities.
6. Façade projects and commercial/retail building development in strategic investment areas or that leverage resources committed through the *ReStore DC* initiative.

OUTREACH

The Department's public outreach strategy is another component for addressing obstacles to meeting underserved needs. Often, populations are underserved because they are not fully aware of the assistance available to them.

The Department's Office of Strategy and Communications (OSC) is responsible for outreach and dissemination of information regarding DHCD's programs, projects, and services to District residents, with special attention to low- and moderate-income populations. In its efforts to be effective in interacting with the public, OSC coordinates the following activities:

- Public hearings and community and civic association meetings throughout the District related to the following:
 1. Consolidated Plans;
 2. Annual Action Plans;
 3. Notice of Funding Availability (NOFA), Request for Proposals (RFP), and Request for Applications (RFA); and
 4. Targeted development projects (i.e., in FY '04/'05: Skyland Shopping Center, DC USA, and the Bellevue Revitalization).
- Notifications to Advisory Neighborhood Commissions regarding DHCD actions that may impact their constituents;
- Advertisements in mainstream and community newspapers to ensure residents are aware of and involved in activities that may affect their neighborhoods and communities;
- Distribution of DHCD program brochures and other informational material;
- "Brown bag" meetings with various community groups and other stakeholders, including but not limited to:

- other agency directors
- homelessness advocates
- nonprofit and for profit housing developers
- CBOs and CDCs
- representatives of the Latino, Asian, and Pacific Islander communities
- realtors and financial institutions
- Operation of informational tables/booths at neighborhood and/or community events;
- Updating community calendars on upcoming and ongoing DHCD events;
- Annual seminars/workshops for targeted groups and the general public on DHCD's home purchase assistance programs

DHCD's Internet homepage is used to communicate with the public; for example:

- Daily communications with residents and other stakeholders via "Ask the Director" website;
- Announcement of public hearings and meetings;
- Program income guideline updates; and
- General information on all DHCD programs, plans and services.

In addition, other informational materials and brochures are available in other languages.

OSC conducts mass mailings in excess of 1,200 pieces of mail to residents, Advisory Neighborhood Commissions (ANCs), community and civic organizations, special interest groups, and other stakeholders of public hearings, especially to encourage citizen participation in the development and creation of DHCD's annual action plans and reporting documents.

However, in spite of all of the printed material available and distributed, based on testimony received during recent public hearings and community meetings, there are still many segments of the District's population that remain unaware of the availability of DHCD's programs and services. Consequently, OSC is looking at other methods to address this challenge and will review transcripts from recent public hearings for recommendations to expand the Department's outreach efforts.

DHCD's outreach and communications strategy for FY 2006 will include:

- Meeting regularly with constituents and stakeholders in seminars, workshops, and brown bag luncheons;
- Communicating with the media through press advisories and/or press releases on DHCD's strategies, programs, projects, and accomplishments;
- Marketing projects funded by DHCD by staging events such as: ground breakings, ribbon cuttings, and contract signings; and
- Informing stakeholders and the public by producing and distributing brochures and other printed materials, as well as a promotional video, "DHCD, The Product, The People, The Community", that highlights the projects, programs, and satisfied clients of DHCD.
- Updating and expanding its outreach database to ensure maximizing outreach to all residents of the District of Columbia;

- Continued expansion of DHCD's "***Ambassadors' Program***" by building partnerships with various stakeholders through a series of one-day tours of DHCD projects to highlight the Department's accomplishments and through presentations at Advisory Neighborhood Commissions (ANC) and community and civic associations meetings;
- Increasing solicitation of input from other stakeholders (financial institutions, community organizations, developers, etc.) to determine the need for home ownership and community and economic development initiatives in under-served communities to help stabilize and revitalize those neighborhoods; and
- Conducting public hearings throughout the year to solicit citizen participation in the development of the Department's annual action plan, programs, and the budget process, and to engage discussion on DHCD's performance.

OSC will continue to emphasize expanded marketing of DHCD's programs and projects and ensure that all segments of the community are aware, and take advantage of the various programs and services offered by DHCD.

Multicultural Outreach Activities

Washington is a very diverse city with unique neighborhoods, people, and cultures. The department recognizes the need to reach out to the minority populations to ensure they take advantage of the programs and services offered by DHCD. Although the messages and products the department delivers to minority residents is the same as those offered to the larger community, DHCD makes special efforts, such as targeting minority media outlets, to present the information in a clear, concise, and readily-accessible manner.

The department will continue to fund community-based organizations (CBO) that target the city's Latino population. These bilingual nonprofit organizations offer numerous homeownership and tenant assistance outreach products in Spanish, including brochures, customer service surveys, home purchase assistance applications, and flyers. More importantly, CBO staff members often live and work in predominately Latino communities and quickly recognize and respond to the needs of this growing population.

In addition to efforts to reach the Latino population, the District is focused heavily on outreach to the Asian and Pacific Islander communities. Town hall meetings have been held to gauge the interests and needs of the Asian community, and to educate them about services offered by various government agencies. An outreach plan for these communities has been implemented for these populations and DHCD staff attends monthly update meetings to ensure the needs of the Asian and Pacific Islander communities are addressed.

3. Describe Efforts to Remove Barriers to Affordable Housing – Fair Housing

The Council of the District of Columbia continually considers legislation that will remove barriers to affordable housing, thereby producing greater access to fair housing choice. In the past fiscal year, the Council passed a property tax bill that will both increase the “Homestead deduction” for home values and limit the allowable annual increase in property taxes. The effect of this bill will be to allow households to increase the amount of home value that is not subject to tax – a great benefit for lower-income households whose property values have not increased. It also will prevent lower-income households in areas of rapidly escalating values from facing massive property tax increases.

The city is also taking steps to ensure that in their efforts to bring the city into compliance with housing code regulations and afford greater housing accessibility to its residents, it does not promote dated legislation and enforce latent policies, which have a disproportionate discriminatory effort on residents of a particular ethnic or racial background. Recently, the DC Council introduced Bill 16-050, “*Rental Housing Conversion and Sale Amendment Act of 2005*” to narrow the 95 percent/5 percent loophole in the Rental Conversion Act of 1980, which allows rental property owners to bypass the First Right of Refusal law by selling the first ninety-five percent interest in their property, then selling the remainder five percent after a twelve-month period has expired. This particular loophole has been used to displace District residents from their homes, disproportionately a majority Latinos and other immigrants in high market areas.

Like many cities, one of the barriers to affordable housing comes from barriers to equal access, either private sector driven (disregard for equal opportunity laws and regulations by the real estate, lending, mortgage and insurance industries) or as a result of an overburden regulatory department, which does not have the funding or personnel to enforce its compliance laws and regulations. The District of Columbia has made progress in overcoming the effects of the impediments to fair housing identified in the 1996 “*Regional Analysis of Impediments to Fair Housing*” (updated in 2001), which formed the basis for DC’s fair housing initiatives under its Five-Year Consolidated Plan for 2001-2005. The Department engaged the nonprofit sector in a citywide fair housing education and outreach effort, as well as educating the private and for profit sectors that engages in the production of affordable housing.

The Department has an active Fair Housing Program within the office of Program Monitoring, which oversees the Department’s adherence to federal and local fair housing and equal opportunity laws and regulations, as well as providing education and outreach on fair housing to all District residents. For the past three years, the Department has ensured that its funding awards are in compliance with FHEO regulations, in addition to ensuring that its sub-recipients are well aware of the FHEO obligations under DHCD/federal funding. These activities include:

- Continuing to promote fair housing education and participation in activities which further fair housing outreach to under-served communities. To comply with federal regulations and to ensure program accessibility to communities with Limited English Proficiency (LEP), the Department will continue to provide program materials in Spanish, Vietnamese and Chinese and continue outreach to these communities.
- Engaging in activities that promote compliance with federal regulations and ensure program accessibility to communities with Limited English Proficiency (LEP). To this end, the

Department will continue to provide agency program materials in English and Spanish, and other languages as deemed necessary by the community for the targeted program, as well as continued dissemination of the fair housing information and educational materials in English, Spanish, Vietnamese, Chinese, and Amharic.

- Working in concert with HUD's FHEO office and private, non-profit civil rights organizations to provide fair housing training sessions for: 1) sub-recipients; 2) DHCD program and project managers who manage sub-recipient grants to community based organizations; 3) developers; and 4) community development corporations.
- Coordinating the annual Fair Housing Symposium for fair housing month in April. April 2004 marked DHCD's third annual Fair Housing Symposium, which was organized in collaboration with the DC Office of Human Rights and the Equal Rights Center, a regional fair housing non-profit organization. DHCD and its partners have secured a venue, speakers, and completed the theme for this year's Symposium in April 2005.
- Continuing to monitor all its sub-recipients to ensure compliance with fair housing and equal opportunity laws and regulations, as well as be available as a resource for constituents and service providers.
- Ensuring Section 504 accessibility compliance by DHCD grant sub-recipients. DHCD has engaged University Legal Services to assist in the agency's compliance check of all funded housing and community development projects.
- Actively pursuing HUD grant to provide fair housing education and outreach to linguistically isolated and other minority communities. DHCD has submitted and received three competitive fair housing and education grants. The first such grant was received in FY 2001, under the Fair Housing Initiatives Program (FHIP) Education and Outreach Initiative (EOI). In FY 2003, a second grant was awarded to DHCD, in partnership with Housing Counseling Services, Inc., on a twelve-month funding cycle. Based on DHCD's performance, a continuing grant was awarded for FY 2004.

DHCD will continue to partner with local community grass roots organizations that provide direct services to District residents in order to ensure the various communities are targeted for agency program and fair housing education. As the city's real estate market continues to soar and neighborhood compositions change—demographically and by income, DHCD will be vigilant, along with its partners, to ensure that its clients do not become victim or predatory tactics by unscrupulous home repair scams, real estate agents, mortgage brokers, or lending institutions.

Finally, DHCD management will continue to meet with representatives of the city's various special needs housing advocacy groups (e.g., groups representing individuals with chronic mental illness, needs related to substance abuse, physical challenges, the elderly, etc.), to better determine how DHCD may meet those populations' needs. Strategies will include enhanced enforcement of fair housing requirements, but also will be reflected in targeted funding for special needs housing in the DHCD competitive funding RFP process.

Regulation:

At the regulatory level, the Department of Consumer and Regulatory Affairs (DCRA) is using the "Existing Structures Code" to encourage the use and reuse of existing buildings, which lowers development costs. The Existing Structures Code was developed by the International Codes

Council (ICC) and does not increase construction costs. Its provisions do not restrict the use of new materials, products, or methods of construction, nor do they give preferential treatment to particular types of classes of materials, products or methods of construction as required by the standard building codes. The District adopted the ICC Codes in January 2004.

Zoning:

Zoning regulations exist to protect the health, safety and welfare of residents. Zoning sets basic development standards such as setbacks, height, minimum lot size, open space set-asides and parking requirements. These requirements do not generally constrain housing production in the District. Currently, the city permits housing by right in all of its commercial zones and even provides zoning incentives for housing production in some of these zones.

Some constraints may result from the Uniform Height Act of 1910, limited land area for development and Historic District provisions. The Height Act is enforced by Congress, and cannot be changed by the District of Columbia government.

The District uses the Planned Unit Development (PUD) process as a means to relax zoning standards, and to grant additional density where certain amenities (such as affordable housing) are provided. However, even with PUD provisions, the Height Act effectively limits building height in the District to 13 or 14 stories.

A Building Code Advisory Committee, chaired by the Director of the Office of Zoning, convenes regularly to address the need for regulatory reform and permit streamlining. The Committee considers zoning options such as second units/granny flats; co-housing, and live-work arrangements.

4. Describe Efforts to Address Lead-Based Paint Hazards

DHCD has revised its Homestead, Single-Family and Multi-family-Residential Rehabilitation program policies and processes for implementing the Lead-Safe Housing Rule.(24 CFR 35) Implementing DHCD's adaptation of the Lead-Safe Housing Rule involves approving and/or monitoring the full range of lead-hazard reduction activities, e.g., disclosure verification, risk assessment completion, lead scope-of-work, construction inspection and verification of clearance. Once clearing testing is complete, the D.C. Department of Health (DOH) reviews the particular project and issues a Certification of Lead-Based Paint Compliance to the property owner. DHCD has developed a partnership with the DC Department of Health and our Department's housing partners for implementation of the Rule.

At the end of FY 2003, DHCD received both a Lead Hazard Control Grant and a Lead Hazard Reduction Demonstration Grant, for a combined total of \$4,997,743, from the HUD Office of Healthy Homes and Lead Hazard Control. DHCD will target the '05 carryover of the Lead Hazard Control Grant for use in the Ivy City/Trinidad, Marshall Heights/Deanwood, and Congress Heights neighborhoods, which evidence some of the District's greatest housing need among pre-1978 units. DHCD will target the '05 carryover of the Lead Hazard Reduction Demonstration Grant for the thirteen target areas listed on page 75 and the three above neighborhoods, where there are high quantities of pre-1940 child occupied housing. (Total carryover \$3,466,000)

Services will include lead hazard control, lead inspections and risk assessments, outreach and education, compliance and legal enforcement of lead-safe housing requirements, and job training and economic development related to the reduction and abatement of lead hazards. DHCD is currently revising its Single-Family and Multi-Family Residential Rehabilitation program policies and processes for implementing the two Lead Grants. On February 12, 2004, DHCD hosted a Lead-Safe-Washington Industry Conference to bring the rehabilitation and lead companies up to date on DC law for lead-based paint and to introduce them to the two HUD lead grants. DHCD plans to host another Lead-Safe Washington Industry Conference in the fall of 2004 (start of FY 2005).

5. Describe Efforts to Reduce the Number of Poverty-Level Families

ANTI-POVERTY STRATEGY

As the District's demographic data in this document indicate, poverty has increased in the District. The increase for children is substantial, and poverty has become more concentrated. Despite economic advances, including an increase in the median income level and in homeownership, obstacles remain for the participation of low-income residents in the city's economic vitality.

Factors have already been cited as contributing to this anomaly: education levels that do not qualify many residents for emerging employment opportunities; shrinking entry-level jobs in traditional industries; the loss of affordable housing units through reduced federal subsidies such as the Housing Choice Voucher Program (formerly Section 8), and the reluctance of private housing developers to participate with the city in inclusion of subsidized units.

The employment changes that have increased economic dislocation have also contributed to the concentration of poverty, and the concentration of poverty has contributed to a downward spiral of social, public safety, and environmental challenges that compound the already existing economic and housing problems.

To address this situation, the District is formulating a new, holistic, anti-poverty strategy directed at specific communities. Even though there is currently a wide array of health and social services, along job training and placement assistance available to residents—and even with the annual funding of over 1,500 low-to-moderate income units—economic market factors are outpacing the District's efforts to include all residents in its economic and social resurgence.

To attack the underlying conditions contributing to poverty, the District will refocus its resources and apply them to critical areas to interrupt cycles of dropping out of school, joblessness, crime, and physical deterioration and attempt to turn around whole communities, not just housing units.

Selecting Communities

To begin selecting communities with the most critical needs, the District will begin with communities that are experiencing both high crime and high levels of poverty. The District will work with residents of affected communities to identify specific actions needed and develop revitalization plans that take a holistic approach to solutions.

Planning: Identifying Assets and Needs

In developing each Community Plan with residents and stakeholders, the District will undertake neighborhood asset mapping, surveying families to assess skill levels, and needs for education, job training, small business development and childcare, as well as physical and mental health services and other family support services. The District will also perform market analysis of the areas including rent, subsidies, occupancy rates, and amenities for multi-family rental and for-sale housing. The analysis will review supply and demand for commercial and community space, and the ability of the community to absorb market units with affordable units. The community will be involved throughout each phase of planning and implementation.

Action and Financial Plans

After analysis of community needs, the District will prepare an action plan and financial plan for each targeted community. These plans will address not only physical redevelopment needs, but also the needs of the area's "human capital". These plans will be specific, with timetables and identified resources. The financial plan will assign responsibility and sources of funding for carrying out the community's renewal plan. These plans will be discussed with the affected communities and the obligations and responsibilities of individuals and organizations will be identified.

Relocation Strategy

If a community's plan calls for demolition or renovation of existing housing, a relocation plan will be developed for each property, and residents will be advised of their options. Housing will be replaced unit for unit, but not necessarily on the same property. A mixture of income levels will be sought to create a more diverse neighborhood, attract commerce with disposable income, and generate revenue to help pay for improvements and services.

Development Plan

All the parts of the strategic plan will be collected, along with implementation recommendations to form the final development plan, which will be used by the District to carry out the redevelopment of the target community.

Sites and Prioritization

In previous Action Plans, DHCD has listed target areas and "hot spot" crime focus areas where it provided incentives for re-development in its competitive funding processes. There are approximately 14 sites in Wards 1, 5, 6, 7, and 8 that meet the criteria established for Renewal Communities. They are located in either an existing target area or abutting one. Priorities will be determined to facilitate a successful planning and implementation strategy.

Prioritization Criteria:

Sample criteria that could be used to select priority sites are:

1. ***Immediate Need for Action:*** Is the community facing pressures that require immediate action to ensure the preservation of affordable housing? For example, are there multiple, pending Federal actions that will terminate contracts on affordable housing properties? Is there an immediate loss of subsidized housing? Is there a concentration of Housing Choice Voucher Program (formerly Section 8) properties on annual contracts that owners are planning to terminate?
2. ***Impact:*** Will the revitalization of the community allow for large-scale preservation of affordable housing? Will it allow for large-scale production of new affordable units? A neighborhood may provide the opportunity immediate impact--it may act as a catalyst for broader revitalization, or could address a single, blighted community in an otherwise unstable community.
3. ***Availability of Adjacent Parcels:*** Are there a number of adjacent sites/parcels that can support redevelopment? These may be privately owned sites/parcels, or sites/parcels held by a government entity, nonprofit, D.C. Public Schools, or National Capital Revitalization Corporation. The District may not necessarily need to purchase these parcels, but it may be able to influence redevelopment through the planning process.
4. ***Local Site Control and Ability to Acquire:*** Does the District have control over parcels that would be critical to the success of a redevelopment initiative; or how difficult would acquisition to vital properties become?

This is an ambitious plan and will require a long-term commitment of resources and effort. The strategy will be under the direction of the City Administrator, and coordinated through the Office of the Deputy Mayor for Planning and Economic Development, with the Offices Neighborhood Services and Planning. The District estimates that it will cost more than \$7.5 million to complete the planning phase for all of the potential sites and that the total development costs could reach \$6 billion.

The Mayor will soon announce this new coordinated strategy to address poverty and identify the initial communities to participate.

5. Describe Enhancements to Coordination with Public and Private Housing and Social Service Agencies

To leverage public resources and to coordinate strategies, DHCD works closely and cooperatively with other DC agencies, for example: coordinating employment and training opportunities in DHCD development areas with the DC Department of Employment Services; coordinating support for and placement of senior housing with the DC Office on Aging; supporting infrastructure and demolition in conjunction with the DC Housing Authority to support its HOPE VI, mixed-income housing developments; and coordinating with the Department of Public Works on infrastructure development and improvements in areas of DHCD-supported housing development. DHCD also

consults and works with non-profit and advocacy organizations; conducting regular “brown-bag” lunch meetings with stakeholders on a range of housing and service issues. For example, The ESG program is carried out by sub-recipients through the Community Partnership for the Prevention of Homelessness under administration of DHCD. Many of the individual service providers attend DHCD hearings and brown-bag meetings to express their concerns and lend their advice.

One continuing example of a specific area for an interagency development initiative and coordination is the Southeast DC Bellevue Neighborhood, East of the Anacostia River. The revitalization initiative has included strategies to expand homeownership, develop affordable housing, and to reduce blight and unsafe conditions. DHCD has formed and is working with the Bellevue Advisory Committee, made of up residents, Advisory Neighborhood Commissioners, stakeholders, private-sector interests and DC government agencies to develop a focused plan starting with Forrester Street, SW; Galveston Street, SW; Halley Terrace, SE and Danbury Street, SE. Renewal is underway in the area, starting with demolition activity funded by DHCD for the redevelopment of the Old Chadwick Apartments on Danbury Street as 119 homeownership townhouses. The Department has also contracted with the Department of Transportation to make streetscape improvements in the Bellevue area, and is completing negotiations with property owners on Forrester Street, Galveston Street and Halley Terrace to acquire various vacant, deteriorated properties for redevelopment.

Regional cooperation is also essential for the long-term availability of affordable housing and employment opportunities. Through the Greater Washington Council of Governments (COG) cooperative planning initiatives are developed to assist the three participating jurisdictions. DHCD contracted with COG for its 2004 Rental Housing Survey

7. Describe Program Monitoring and Improvement Efforts

In order to accomplish DHCD’s priority activities, DHCD must be able to process eligible transactions quickly and cost effectively. Therefore, two prime objectives are to (1) move housing and commercial development transactions through the agency's pipeline more expeditiously; and (2) create procedures, systems and accountability standards that will firmly establish the Department as the city’s principal development vehicle for improving District neighborhoods.

These prime departmental objectives will be accomplished by focusing efforts on the fundamental basics of community development – evaluating and underwriting development proposals based on the strength of the organizations’ capacity, financial underpinnings and the flow of public benefits to the residents that DHCD is obligated to serve.

In FY 2006, DHCD will continue its program and sub-recipient monitoring activities which includes: conducting monitoring reviews of its Development Finance Division Project Financing, Neighborhood Based Activities, and Emergency Shelter Grant programs,

1. continuing to perform environmental reviews and project-specific labor standards monitoring,
2. conducting long-term monitoring reviews for HOME- and Low Income Housing Tax Credit- (LIHTC)-funded projects,
3. conducting follow-up reviews to ensure that corrective actions for audit report recommendations have been implemented, and

4. monitoring the Department's spending and commitment requirements in accordance with the funding sources.

The Department will continue to monitor its activities through ongoing communications with sub-grantees and site visits to their programs. Activities will also be monitored through periodic, but systematic, tracking of performance through the Housing Development Software (HDS) and HUD's Integrated Disbursement and Information System (IDIS). HDS will be improved to provide an automated and integrated mechanism for recording and reporting the results of site visits. IDIS gives the Department the capability to assess progress of individual projects, as well as each major HUD-funded program as a whole. As the HDS software becomes fully operational, by linking budget, performance measures, and program delivery, DHCD will be able to effectively monitor its progress in carrying out the strategic plans contained in this Action Plan for FY 2006.

DHCD will produce a self-evaluation of its annual performance in relation to meeting priorities and specific objectives in the form of a Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides a summary of the programmatic accomplishments for projects reported under the IDIS, as well as additional narratives describing program milestones and accomplishments. The CAPER must be filed with HUD within 90 days (December 30) after the close of DHCD's program year.

8. Describe Coordination to Address Public Housing Needs

DHCD is supporting public housing through its support of the HOPE VI program administered by the DC Housing Authority (DCHA). Since 2003 DHCD has been providing financial assistance to HOPE VI projects. In FY 2004, DHCD continued to implement the \$10 million financial assistance to two DCHA projects: 1) The ***Henson Ridge HOPE VI*** (\$3 million) and the ***Capitol Gateway Estates*** (formerly New East Capitol) HOPE VI (\$7 million). The funds are being used to fund both pre-development and infrastructure improvement costs. DHCD continued to support the Capitol Gateway Estates HOPE VI by allocating \$789,666 of Low Income Housing Tax Credits to the construction of the new Senior Building with 151 units. During 2004, DHCD also agreed to a DCHA request to shift \$2 million of the Henson Ridge assistance dollars to the Arthur Capper/Carrollsborg HOPE VI where it is more immediately needed for infrastructure construction costs.

In 2006, DHCD will continue to work cooperatively in supporting HOPE VI projects by requesting, on DCHA's behalf, Capitol Improvement Program (CIP) funds for three HOPE VI projects as follows: 1) an additional \$2 million to support recently quantified, unexpected site development costs on the Henson Ridge project; 2) an additional \$2.5 million to support site infrastructure on the Arthur Capper/Carrollsborg HOPE VI project; and 3) \$2 million to support site infrastructure construction on the new Eastgate HOPE VI project. The DHCD has also requested \$1 million of FY 2006 CIP funds to support site and building rehabilitation at Park Morton, a target, strategic, neighborhood-located, existing public housing development.

DHCD will also work with the DCHA in its outreach efforts under *the American Dream Downpayment Initiative (ADDI)* to bring homeownership opportunity to public housing residents. DHCD circulates its draft Action Plan to the D.C. Housing Authority for comment and coordination, and also includes DCHA's resident councils in its mailing lists for hearings and comment.

V. PROGRAM-SPECIFIC REQUIREMENTS

V.A. Community Development Block Grant

The proposed uses of DHCD's budgeted CDBG funds, including program income and other funds, are described in the Use of Funds Section, starting on page 28. As noted on page 26 of this Action Plan, DHCD anticipates receiving \$8,950,000 in program income during FY 2006, all from loan repayments and proceeds of sales or leases of property. While the District is examining the feasibility of a float-funded loan program, we have no concrete plans to initiate this activity at this time. The Department does not anticipate any urgent need activities at present.

The process by which DHCD makes CDBG funds available is described on page 29. Individuals, for-profit and nonprofit organizations are eligible to apply for these funds provided that they meet all HUD program-specific requirements regarding income eligibility, Conflict of Interest, use of debarred or suspended contractors, and other administrative requirements, and are not delinquent on liabilities to the District government or in other material violation of District requirements.

V.B. HOME Program

The following text addresses specific requirements of the Consolidated Planning process for the HOME Program.

Forms of Investment: All proposed uses of HOME funds are described in The Financial Uses Section of this Action Plan. The District's FY 2006 HOME funds will be invested as loans (amortizing or deferred) and grants only.

Homebuyer Provisions: Starting in FY 2006, Whenever DHCD uses HOME funds, it will utilize the recapture provision of the program, pursuant to 24 CFR 92.254(a)(5)(ii)(A)(1), in order to preserve its affordable housing stock. Specifically, DHCD will incorporate restrictive covenants running with the land and a silent second Deed of Trust that will require the homebuyer to maintain the HOME-assisted unit as his/her principal place of residency during the Affordability Period, and to sell his/her HOME-assisted unit to a subsequent HOME income-eligible buyers, if said sale occurs within the unit's Affordability Period.

The subsequent HOME income-eligible buyer will also have to maintain the unit as his/her principal place of residency throughout the remaining Affordability Period. If the subsequent HOME income-eligible buyer also receives HOME funding, then the Affordability Period on the unit will be the total of the balance of the previous homebuyer's Affordability Period *plus* the Affordability Period as determined by the second HOME investment amount.

Refinancing: DHCD does not use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds.

Definition of Modest Housing: DHCD defines "modest housing" by following the method outlined in 24 CFR 92.254(a) (iii) for its homebuyer assistance and single family rehabilitation programs. Specifically, DHCD caps the allowable sales price or post-rehabilitation value at the Single Family

Mortgage Limit under the Section 203(b) program, as permitted by 24 CFR 92.254 (a)(2)(iii). The limit for the District of Columbia is as follows:

House Size	1 family	2-family	3-family	4-family
203(b) Limit	\$269,800	\$303,880	\$369,200	\$426,000

These limits apply to one-to-four family units. DHCD does not presently finance manufactured housing. In addition DHCD applies the one-family limit to the sales price or post-rehabilitation value to define modest housing in the case of condominium or co-operative units. In doing so, DHCD cites the following:

94.254(a)(2)(iii): If a participating jurisdiction intends to use HOME funds for homebuyer assistance or for rehabilitation of owner-occupied single-family properties, the participating jurisdiction may use the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b) (which may be obtained from the HUD Field Office) or it may determine 95 percent of the median area purchase price for single family housing in the jurisdiction as follows....

DHCD uses the 203(b) limit rather than the 95 percent of the median area purchase price standard.

Although the above limit represents the regulatory maximum, DHCD recognizes that even a \$269,800 home is beyond the limit of most lower-income households. The Home Purchase Assistance Program typically helps households who are purchasing homes costing approximately \$120,000.

Affirmative Marketing: DHCD follows HUD's regulations as prescribed in the Affirmative Fair Housing Marketing Plan form (AFHMP) [HUD 935-2]. DHCD ensures that its grant sub-recipients complete and submit the AFHMP with accompanying information on residential housing projects of five units or more, whether these are located in one parcel or a scattered multifamily project. DHCD aims to ensure that prospective buyers or tenants of all racial and ethnic groups (minority and non-minority) in the housing market area, regardless of their protected basis, know about the housing projects(s), are attracted to the housing project, feel welcome to apply and have the opportunity to buy or rent. The AFHMP targets areas that have been subjected to housing discrimination based on one of the protected basis under the Fair Housing Act; persons not likely to apply for the housing without special outreach efforts due to self or forced segregation, linguistic isolation, neighborhood racial or ethnic composition and patterns, and location and price of housing.

Outreach to Minority- and Women-Owned Businesses: The District Government as a whole has an active program of contracting with and promoting Local, Small, and Disadvantaged Business Enterprises (LSDBEs), which include minority- and women-owned businesses. The District's Office of Local Business Development (OLBD) monitors the efficiency and compliance of all District government agencies, including DHCD, in accordance with the legislative mandate of the "Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises (LSDBE) Act of 1998." OLBD reviews and approves Affirmative Action Plans submitted by District agencies for public/private partnerships and for contractors with contracts in excess \$25,000. It also provides

technical assistance to LSDBEs that wish to contract, or currently contract, with the District government, and helps those entities with outreach.

DHCD's loan and grant agreements with developers require that the developers submit Affirmative Action Plans that set forth goals for the hiring of local, small and disadvantaged business enterprises and for hiring minorities and women for construction and non-construction jobs. The agreements also enforce Section 3 requirements and the requirements at 24 CFR 92.350.

V.C. American Dream Down Payment Initiative (ADDI) of the HOME Program

The Department of Housing and Community Development is implementing the American Dream Down payment Initiative (ADDI) as a source of supplemental funding to DHCD's existing family of programs for first-time homebuyer assistance, the Home Purchase Assistance Programs (HPAP). ADDI funds will be used to supplement HPAP assistance for HOME-eligible first-time homebuyers. ADDI funds for any eligible homebuyer will be used in addition to—not replacing—HPAP loan funds for which the homebuyer already qualifies, thereby serving to increase the homebuyer's buying power in the District of Columbia's current highly competitive real estate market.

The Department will use the extensive outreach avenues already in existence for HPAP to market ADDI to income-eligible homebuyers. Each year, the Department establishes service agreements with approximately seven community-based housing counseling agencies, whose responsibility it is to address the comprehensive housing needs of their respective service areas or particular client base. In addition to being responsive to residents' housing crises, staff of these seven agencies is trained by DHCD staff in program guidelines for all DHCD housing assistance programs.

By April 30, 2005, DHCD will ensure that its FY 2005 housing counseling agencies are properly trained in the program guidelines for ADDI, in order to advise households in the communities that they serve regarding the benefits of this new form of homebuyer assistance and process applications for assistance concurrent with residents' applications to the HPAP Program. The housing counseling agencies also market all DHCD housing assistance programs at community fairs, civic association programs, and other community-wide public forums.

The Department has an extremely close working relationship with the District of Columbia Housing Authority (DCHA), the District's public housing authority. In partnership with DCHA, DHCD will employ its network of housing counseling agencies to market the ADDI and HPAP programs to public housing residents, in whatever individual, group, or public forums that DCHA determines provide the best opportunities to inform their constituents of this new homebuyer assistance resource.

VI. Special Initiatives

VI.A. Neighborhood Strategy Areas

As part of the Five-Year Plan, DHCD will continue the designation of its two Neighborhood Strategy Areas (NRSAs): 1) Georgia Avenue NRSA; and 2) Carver Terrace/Langston Terrace-Ivy City/Trinidad NRSA.

1. Georgia Avenue Neighborhood Revitalization Strategy Area

DHCD submitted an application for designation of the Georgia Avenue Corridor and the as a Neighborhood Revitalization Strategy Area (NRSA) to the U.S. Department of Housing and Urban Development, in conjunction with the District of Columbia Fiscal Year 2000 Consolidated Plan.

DHCD will extend that designation from 2006 into 2010. The city proposed to address economic development focused along the almost 5-mile corridor by approaching it as a single linear neighborhood. The Georgia Avenue Corridor has a distinct identity because it is one of the major north-to-south transportation routes connecting Maryland to downtown DC. The targeted area includes the 39 census blocks that abut Georgia Avenue from Florida Avenue, NW to Eastern Avenue, N.W

The NRSA development strategy will include job creation, housing and commercial development/rehabilitation, employment and entrepreneurial training and infrastructure improvements. A combination of projects and program activities has been identified in the NRSA supporting these categories to serve as the core tools for revitalizing the Corridor.

Table 24: Georgia Avenue NRSA Performance Data

Project Name	Lead Entity	Description	Outputs
Georgia Avenue Marketing Program	Washington DC Marketing Center, DMPED, NCRC	Target major employers to locate along the Georgia Avenue Corridor	Two major employers with job opportunities for local residents
Housing and Community Development	DHCD, DCHA, DCFA	<ul style="list-style-type: none">• Target the Rehabilitate of single-family homes;• Provide loans to assist in the rehabilitation of multifamily units	<ul style="list-style-type: none">• Retention of current owners in improved dwellings,• Affordable units for rent and ownership.
Small Business Development Center	DHCD, DC Chamber of Commerce Foundation, DC Main Street Program	<ul style="list-style-type: none">• Entrepreneurial training;• Small Business management; training• Counseling	<ul style="list-style-type: none">• Retention and expansion of local businesses• Preparation of local residents for homeownership,
Sidewalk and infrastructure Improvements	DDOT	Resurfacing/ redevelopment of sidewalks and infrastructure	Improved appearance and safety of the commercial node

Project Name	Lead Entity	Description	Outputs
Acquisition and redevelopment	NCRC, DHCD, DCHFA, Home Again Program	Acquire vacant and abandoned property along the corridor for redevelopment purposes	Property available for redevelopment and revitalization purposes

2. Carver Terrace/Langston Terrace/Ivy City/Trinidad NRSA

DHCD applied to HUD for the designation of the Carver/Langston Terrace/Ivy City/Trinidad (CLTICT) communities as a Neighborhood Revitalization Strategy Area (NRSA) in August 2000 for a period of five years. DHCD will extend that designation from 2006 into 2010. The CLTICT NRSA includes five census tracts defined by New York Avenue, Florida Avenue and Bladensburg Road, and includes Galludet University and the Farmer's Market, as well as major residential and light industrial developments.

The NRSA development strategy will include job creation, housing development, employment and entrepreneurial training, and infrastructure development. A comprehensive set of projects and programs has been developed around these four areas to serve as the core tools for revitalizing the neighborhood over the next five years.

Table 25: Carver, Langston, Ivy City, Trinidad NRSA Performance Data

	Lead Entity	Description	Outputs
Housing and Community Development	DHCD, Home Again Program	<ul style="list-style-type: none"> • Increase Home Ownership Opportunities • Single Family Residential Rehabilitation Program 	<ul style="list-style-type: none"> • 50 new homeowners • Improved residential property (1-4 units) in the community, retention of homeowners.
Employment and Entrepreneurial Training	DOES, NSI	<ul style="list-style-type: none"> • Training and employment for DC residents • Conduct 2 career fairs each year 	Local residents better prepared for job market.
Infrastructure improvements	DDOT, DPR, DMPED, NSI	<ul style="list-style-type: none"> • Improvements to community parks in the area • Construction of the Trinidad Recreation Center • Redevelopment of Alexander Crummell School 	Improved neighborhood vitality with public amenities for community use

^[1] Note that for the purposes of describing its investments and activities, DHCD cannot identify the exact location of activities to be undertaken, but specifies the target area (in compliance with HUD guidelines); DHCD will not have made its development awards for FY 2005 funding prior to the first quarter of the fiscal year.

VI.B. Section 108

- *Section 108 Loan Guaranty Program:* Provides a lower-cost, long-term financing option for CDBG eligible projects by pledging future Block Grant entitlements. The Office of the Deputy Mayor for Planning and Economic Development is intending to use the HUD Section 108 Loan Guarantee Program to finance several large economic development projects currently in the planning and implementation stages.
- *CDBG Float Loan Program:* Provides very-low-cost, short-term financing for CDBG-eligible projects by lending obligated, but unused CDBG entitlement. DHCD and the Office of the Deputy Mayor for Planning and Economic Development will coordinate the administration of any such loans, if this program is utilized in any given year.
- All required Action Plan Amendment procedures will be followed for any 108 or Float Loan Program activity.

This page intentionally blank